



# STATE OF WISCONSIN

## DEPARTMENT OF ADMINISTRATION

Scott Walker, Governor  
Ellen Nowak, Secretary  
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**To:** Division of Enterprise Technology (DET) Customers

**Reference:** DET Rate Communications for Fiscal Year 2019 (FY19)

As the new fiscal year approaches, DET wants to ensure that customers are aware of any rate or service changes they can expect in FY19. The following information describes the anticipated changes to DET's "high impact or high utilization" services, as well as the cost impact to individual agencies. In addition, this communication delineates changes in other service areas and provides agencies with recommendations on how they may be able to reduce costs now and in the future.

When it comes to financial and service rate goals, DET's primary objective is to ensure complete and fair recovery of service costs. In fiscal year 2018, DET is expected to experience an under-recovery of close to \$4 million. To prevent a negative program position in FY19, DET will continue cost reduction efforts and rates for specific services will increase.

### DET Financial and Service Rate Goals

- **Rates support the desired services** through collaboration across DET teams in definition of services and cost modeling.
- **Fairness** in rate creation and application across customers.
- **Limited subsidization** across services over time.
- Appropriations intended to stay in a small **positive standing** annually.
- **Eliminate federal penalties** for over-recovery.

The following tables reflect FY19 rate adjustments. You will find agency impacts on the attached [DET Service Rate Change Impacts – FY19 Estimates](#) report. The final rate sheet for FY19 may contain other rate adjustments that we expect to be limited in impact compared to those noted below. We hope this information will provide DET customers with essential information needed to build their FY19 budgets.

## High Impact or High Utilization Service Rate Changes

- Agency Managed Application Server (**AMAS**) **Virtual** rates will continue to decrease in FY19 as they have the past few years. Continued improvements to the virtual technology platform, economies of scale enterprise-wide, and effectively managing expenses enable cost savings for all consumers of the service.
- **Distributed Storage** services continue to under-recover. A small rate increase is necessary to assist in the recovery of service costs. In addition, DET identified storage utilization that was not reported and therefore not billed. Please see the attached impact sheet for more details.
- **Mainframe** and **Mainframe Storage** service rates have already been decreased as of **April 1, 2018** to prevent over-recovery. Those rate reductions will carry into FY19. Mainframe utilization has stabilized and costs have been reduced in FY18.
- Allocations of **Security** and **Directory Internal** costs are split between customer agencies and DET services, including Server, Storage, and Mainframe. Any costs not recovered by the customer allocation are recovered through other DET service rates, which will not need to be increased as much because of this change. In FY19, the Active Directory user count will be used to distribute the Security cost more equitably. Previously, Security was allocated to customers by FTE count.
- While many agencies are transitioning to Office 365, some will still need on-premise **E-Mail**. A rate increase to on-premise E-mail is necessary to recover costs fully related to maintaining multiple platforms.

*Table 1 - High Impact or High Utilization Service Rate Changes*

General Service	Catalog Name	Unit	FY18 Rate	% Change	New Rate
AMAS - Virtual	Virtual Server-Memory	512MB	\$8.26	-10%	\$7.43
	Virtual Server-vCPU	vCPU	\$55.28	-10%	\$49.75
Distributed Storage	Distributed Storage	GB	\$0.34	10%	\$0.37
	Distributed Backups	GB	\$0.21	10%	\$0.23
	Remote Storage	GB	\$0.10	10%	\$0.11
	File Hosting	GB	\$0.10	10%	\$0.11
Mainframe <i>Effective April 1, 2018</i>	Online	Sec	\$0.03248	-5%	\$0.03086
	Batch - Prime	Sec	\$0.02446	-5%	\$0.02324
	Batch – Premium	Sec	\$0.02851	-5%	\$0.02708
	Batch – Non-Prime	Sec	\$0.01462	-5%	\$0.01389
	Batch – Non-Prime Weekend	Sec	\$0.01159	-5%	\$0.01101
Mainframe Storage <i>Effective April 1, 2018</i>	Tape	GB/Day	\$0.00001178	-5%	\$0.00001119
	DASD Non-Archive	GB/Day	\$0.00042940	-5%	\$0.00040793
	DASD SMS Managed	GB/Day	\$0.00010578	-5%	\$0.00010049
	Recalls	GB/Day	\$0.00169575	-5%	\$0.00161096
Security Services	Security Services	User	\$4.47		\$5.36
		Total	\$1,794,594.12	40%	\$2,512,853.76
Email Services	Exchange 2013 E-Mail	Mailbox	Multiple	10%	Multiple
Directory	Directory – Internal	Acct	\$1.98		\$2.53
		Total	\$900,000.00	28%	\$1,214,217.84

## High Impact or High Utilization Service Rate Changes

The following rate changes will address over-recovery or under-recover in **Web Security, Oracle, Listserv-Lyris, Electronic Reports Distribution, Enterprise Service Desk (ESD), Team Foundation Server (TFS), and VPN.**

*Table 2 - Other Rate Changes*

General Service	Catalog Name	Unit	FY18 Rate	% Change	New Rate
Web Security	Web Security	User	\$1.30	29%	\$1.68
Oracle	Oracle Instance	Instance	\$1,357.40	10%	\$1,493.14
List Serv - Lyris	Lyris	User	\$0.0133	-15%	\$0.0113
Electronic Reports Distr.	Electronic Reports Distr.	1,000Lines	\$0.084	-15%	\$0.071
Enterprise Service Desk	Enterprise Service Desk	Incident	\$6.54	22%	\$8.00
Team Foundation Server	Team Foundation Server	User	\$67.50	50%	\$101.25
VPN	VPN Client	Client	\$10.80	20%	\$12.96

## BadgerNet Changes

In FY19, All **BadgerNet** sites will be charged a **Managed Service Provider (MSP)** fee. In FY18, the MSP fees only recovered for AT&T costs and were determined based entirely on bandwidth speed. It has been determined that this methodology is inconsistent and did not account for the resources to manage and administer each site. As a result, sites with high capacity bandwidths received excessive fees while inadequate fees were assessed for sites with lower capacity bandwidth. In FY19, 30% of the costs are spread equally among all sites and 70% of the costs are variable by bandwidth speed.

The MSP fees for state agency sites will include recovery for DET staff costs related to the management of state agency BadgerNet. These costs had previously been recovered through a 20% upcharge under BCN, which was billed through AT&T. The DET costs are spread equally among the state agency sites rather than by bandwidth speed.

*Table 3 - Managed Service Provider Fees*

Customer	Mbps	FY18 MSP	FY19 MSP
State Agencies	ISP	0.00	113.60
	6 Mbps	5.46	166.68
	10 Mbps	9.10	168.84
	20 Mbps	18.20	174.24
	50 Mbps	45.50	190.44
	100 Mbps	91.00	217.44
	1,000 Mbps	910.00	703.44
	10,000 Mbps	9,100.00	5,563.44
TEACH & Authorized Users	6 Mbps	5.46	77.08
	10 Mbps	9.10	79.24
	20 Mbps	18.20	84.64
	50 Mbps	45.50	100.84
	100 Mbps	91.00	127.84
	1,000 Mbps	910.00	613.84
	10,000 Mbps	9,100.00	5,473.84

As a part of the transition to BadgerNet, DET is making changes to **Shared BadgerNet Sites**. Shared sites will have more options for bandwidth speed, which will allow customers greater flexibility, reduce customer costs, and enable the State to purchase less bandwidth from other providers. To simplify the billing process for shared sites, all locations across the state will be charged based on the same rates. Those rates will be at the lowest of the nine regional rates which otherwise apply to customer dedicated sites. Shared site customers will be charged a partial MSP fee of \$55 and a partial Managed WAN (Router) rate of \$75.

#### *Shared Site Bandwidth Rates*

<b>Bandwidth</b>	<b>Customer Rate</b>
1.5 Mbps *	\$ 169.00
3 Mbps *	\$ 263.00
6 Mbps	\$ 375.00
10 Mbps	\$ 442.00
20 Mbps	\$ 635.00
50 Mbps	\$ 745.00
100 Mbps	\$ 794.00
200 Mbps *	\$ 819.00
500 Mbps *	\$ 843.00
501 to 1,000 Mbps	\$ 892.00

\*indicates new bandwidth speed available

#### **Other Rate Changes**

Described below are other anticipated service and rate changes. As new services or service enhancements are developed and deployed, DET will communicate with customers and post information to the DET Portal.

- **Secured Network Services (SNS)** is a new service model that combines **Agency LAN Services**, **Wireless Services**, and the **DET Managed WAN** service into one rate. In FY19, SNS will apply only to the new Hill Farms (Madison Yards Way) location and other shared sites as they are optimized. All other locations will continue to be charged the existing service rates. The SNS model may be expanded in future fiscal years.

*We will meet individually with customers over the next few weeks to communicate this new rate and share estimated impacts.*

- DET is developing new **Consulting** rates based on functional service groupings.
- **Telepresence** is part of a multiple-option conferencing service. Agencies should collaborate with DET to identify business need and appropriate solution. The Telepresence rate was recently published as \$125.00 per device.
- DOA/SASI only: The **User Compute Services (UCS)** rate will apply to disabled accounts. Microsoft charges Office 365 licenses for disabled accounts and will only stop counting the license when the account is deleted. In order to recover properly, DET will charge the user until account deletion.

- **Network Access Control (NAC)** will change to a per user charge using the Active Directory export to determine user count. The rate will be \$2.75 per user per month charged for those agencies utilizing NAC for posturing and profiling services. Previously, agencies were charged per LAN port per month for NAC services.
- **Document Management** by OnBase is being reviewed to determine if the OnBase reporting tools can provide reporting that assists in recovering expense in a more simplified way.
- **AMPS** will no longer charge the 1/3 rack service rate but move to a per rack “U” rate for all shared enclosures.

### Service Changes

- The **Citrix** environment was decommissioned in early 2018 to migrate to another access portal. The Citrix rate is being replaced by an **Application Publishing** rate of \$12.87 per user effective July 1, 2018.
- The Enterprise **GIS** service is being discontinued.
- DET is in the process of identifying **non-standard** and **sunset** services as implemented in support of customers. These types of environments or products result in additional cost, and therefore an additional rate may apply.

### Cost Efficiency Recommendations

The following recommendations may allow agencies to reduce DET-related costs. DET can provide consulting services to agencies to assist with identifying additional areas where cost efficiencies may be gained – please submit a service request to schedule a consult.

- Keep Active Directory up-to-date with Account ID changes. This will ensure DET user-based charges are assessed with the most updated information and could also reduce vendor licensing fees.
- Utilize Skype soft phones to reduce dependency on physical phones and reduce costs for new and replacement hardware.
- Storage-related Activities:
  - Reduce unnecessary, out of date, or duplicate data
  - Eliminate personal files (music, pictures, photos, etc.)
  - Adhere to retention and disposition guidelines

## Customer Resources

The following resources can assist our customers in understanding the services provided by DET. Please see the following areas for more information.

- Agency-Specific Information
  - Enterprise IT Billing System (EBS)  
[itbilling.wisconsin.gov/login.asp](http://itbilling.wisconsin.gov/login.asp)
  - IT Utilization Metrics (Monthly and Annual)  
[det.wi.gov/Pages/securePages/ITUtilizationMetrics.aspx](http://det.wi.gov/Pages/securePages/ITUtilizationMetrics.aspx)
- DET Information
  - Rate Sheet  
[det.wi.gov/Pages/rates.aspx](http://det.wi.gov/Pages/rates.aspx)
  - Service Catalog  
[det.wi.gov/Pages/ServiceCatalog.aspx](http://det.wi.gov/Pages/ServiceCatalog.aspx)
  - DET Scorecard  
[det.wi.gov/Pages/DETScorecard.aspx](http://det.wi.gov/Pages/DETScorecard.aspx)
  - Project Metrics  
[det.wi.gov/Pages/PortfolioDataMetrics.aspx](http://det.wi.gov/Pages/PortfolioDataMetrics.aspx)

Please contact [DETBusinessServices@wisconsin.gov](mailto:DETBusinessServices@wisconsin.gov) with any questions you may have regarding this communication.

Thank you!



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